

CANNON BUILDING 861 SILVER LAKE BLVD., SUITE 203 DOVER, DELAWARE 19904-2467

# STATE OF DELAWARE REAL ESTATE COMMISSION

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PUBLIC MEETING MINUTES: REAL ESTATE COMMISSION

MEETING DATE AND TIME: Friday, February 21, 2014 at 9:00 a.m.

PLACE: 861 Silver Lake Boulevard, Dover, Delaware

Conference Room A, Second Floor of the Cannon Building

MINUTES FOR APPROVAL April 10, 2014

# **MEMBERS PRESENT**

Michael Harrington, Sr., Professional Member, Chairman Andrew Staton, Professional Member, Vice Chairman Ricky H. Allamong, Professional Member, Secretary Christopher J. Whitfield, Professional Member Justin Healy, Professional Member James C. Brannon, Jr., Public Member Gilbert Emory, Public Member

#### **DIVISION STAFF/ DEPUTY ATTORNEY GENERAL**

Eileen Kelly, Deputy Attorney General Sandra Wagner, Administrative Specialist III Jessica Williams, Administrative Specialist II Jennifer Witte, Administrative Specialist II

# **MEMBERS ABSENT**

Lynn Rogers, Public Member Joseph F. McCann, Public Member

#### **ALSO PRESENT**

Andrew Taylor, Esq. Emma Payne Michael Blaisdell Angela Emerson, SCAOR

#### **CALL TO ORDER**

Mr. Harrington called the meeting to order at 9:03 a.m.

# **REVIEW OF MINUTES**

Mr. Whitfield made a motion, seconded by Mr. Brannon, to approve the minutes of the meeting held on January 9, 2014. By unanimous vote, the motion carried.

#### **NEW BUSINESS**

#### Discussion and Review of Hearing Officer Recommendations

<u>Chris Panarello</u> – Commission members reviewed the Rule to Show Cause Recommendation from the Hearing Officer with Mr. Staton describing the sanctions. After discussion, Mr. Staton made a motion, seconded by Mr. Whitfield, to accept the Hearing Officer's recommendation as written. By unanimous vote, the motion carried.

<u>David DePetris</u> – Commission members reviewed the Rule to Show Cause Recommendation from the Hearing Officer with Mr. Allamong describing the sanctions. After discussion, Mr. Allamong made a motion, seconded by Mr. Staton, to accept the Hearing Officer's recommendation as written. By unanimous vote, the motion carried.

<u>Jeffrey Osciak</u> – Commission members reviewed the Rule to Show Cause Recommendation from the Hearing Officer with Mr. Emory describing the sanctions. After discussion, Mr. Whitfield made a motion, seconded by Mr. Emory, to accept the Hearing Officer's recommendation with an amendment to item number two that Mr. Osciak needs to meet all other statutory requirements. By unanimous vote, the motion carried.

<u>Michelle Hunt</u> - Commission members reviewed the Rule to Show Cause Recommendation from the Hearing Officer with Mr. Whitfield describing the sanctions. After discussion, Mr. Whitfield made a motion, seconded by Mr. Staton, to accept the Hearing Officer's recommendation as written. By unanimous vote, the motion carried.

# **Education Committee Report**

Ms. Williams went through the Education Committee minutes with the Commission. They had 38 new courses approved, 16 instructor applications were approved, and 14 student requests reviewed and approved for continuing education, and 1 was denied for not having an outline and resume. Ms. Williams stated that the Education Committee did not take any action on the continuing education reciprocity with surrounding jurisdictions. Ms. Kelly provided the Education Committee with an update and a brief synopsis of Maryland's continuing education requirements compared to Delaware and it is going to be too burdensome, so the Education Committee will not be taking any further action on that discussion.

The Education Committee received correspondence from the Association of Realtors School. There was a misunderstanding with the approval the school received. The school applied for 6 hours total of CE for 3 for Module 6 and 3 for Module 7. The Education Committee approved the school for a total of 6 hours but all for Module 7. Ms. Williams received a certificate from that course and she noticed that the certificate had been altered to say for Module 6 and Module 7. Ms. Williams called the school and they said it was a misunderstanding and that they assumed since the course was approved for 6 hours that both Modules were approved. The school did advertise for both Modules and about 20 students took the course. The students did take this course thinking they were getting both Module 6 and Module 7. The Committee is recommending that the request be denied.

After discussion from the Commission, Mr. Whitfield made a motion, seconded by Mr. Staton, to allow those 20 students credit for Module 6 and Module 7 for 6 hours total. By unanimous vote, the motion carried.

Mr. Allamong made a motion, seconded by Mr. Staton, to send a letter to the school from the Commission notifying them about their practices and suggest that they offer a free class to the 20 people that took the course as a good will gesture. By unanimous vote, the motion carried. Mr. Whitfield made a motion, seconded by Mr. Staton, to amend the motion to include in the letter that, except for the 20 students noted, the Commission is changing the approved amount of hours for this course to be only 3 hours approved not the 6 hours they originally received. This would make the course approved for 3 hours in Module 7 only. By unanimous vote, the motion carried.

Mr. Healy stated that he has been getting a lot of feedback that students are not happy with the courses being offered. Mr. Staton stated that if they are not happy with the courses then they should be making comments to say what they don't like about it and send the comments to the Education Committee.

# Recommendation to Approve and Deny Course Providers, Instructor Applications and Student Requests as Noted

Mr. Staton made a motion, seconded by Mr. Whitfield, to approve to the education approvals submitted by the Education Committee. By unanimous vote, the motion carried.

# Applications for Licensure

Ratification of Salesperson Applications

Mr. Brannon made a motion, seconded by Mr. Allamong, to ratify the following applications for salespersons:

Regina Addison, Coldwell Banker Preferred, Wilmington, DE

Shelby Smith, Resort Quest, Bethany Beach, DE

Crystal Sparks, Jack Lingo, Inc., Millsboro, DE

Robert Carroll, Keller Williams Realty, Wilmington, DE

Pamela Albanese, Mann & Sons, Inc., Rehoboth Beach, DE

Mohamed Jabbie, Keller Williams Realty, Newark, DE

James Swalm, Keller Williams Realty, Newark, DE

Christina Swalm, Keller Williams Realty, Newark, DE

Michael Hall, Coldwell Banker Residential Brokerage, Bethany Beach, DE

Gretchen Leary, Patterson Schwartz, Wilmington, DE

Annette Jernejcic, Patterson Schwartz, Middletown, DE

Yun-Fei Lou, Patterson Schwartz, Newark, DE

Valerie Ellenberger, Keller Williams at the Beach, Rehoboth Beach, DE

Machel Gibbs, Wilgus Associates, Inc., Bethany Beach, DE

Joseph Santo, RE/MAX Associates, Newark, DE

Debra Wetherby, NRT Phila LLC d/b/a Coldwell Banker, Wilmington, DE

Doris Leonardo, Keller Williams Realty Central, Dover, DE

Anthony Floyd, Berkshire Hathaway Home Svc. Fox & Roach, Bear, DE

Michael Falkowski, Keller Williams Realty, Christiana, DE

Sean Firlein, Berkshire Hathaway Home Svc. Fox & Roach, Newark, DE

Teresa Litz, Keller Williams Realty Central, Dover, DE

Jacqueline McMaster, Cooper Realty Associates, Lewes, DE

Bianca Mojica, Patterson Schwartz, Dover, DE

Christopher Moore, Patterson Schwartz, Greenville, DE

Elmar Ashman, RE/MAX Horizons, Inc., Dover, DE

Linda Kahmer, Exit Realty "The TRI-STATE Group", Dover, DE

Tina Cahill, Keller Williams Realty, Christiana, DE

Jessica Loller, Mann and Sons, Inc., Rehoboth Beach, DE

Michael Peranteau, 1st Choice Properties, Bethany Beach, DE

Collis Townsend, Berkshire Hathaway Home Svc. Fox & Roach, Devon, PA

Elmer Brumley, Coldwell Banker Resort Realty, Lewes, DE

Nanette Pavier, Holiday Real Estate Inc., Ocean City, MD

James Sperduto, Meyer & Meyer Realty, Wilmington, DE

Paul Palmer, Applebaum Realty, Wilmington, DE

Chester Carbaugh, Berkshire Hathaway Home Svc. Gallo Realty, Bethany Beach, DE

Joes Quinones, Long & Foster Real Estate, Inc., Lewes, DE

Timothy Noonan, Berkshire Hathaway Home Svc Fox & Roach, Devon, PA

Frances Mullaney, NRT Phila d/b/a Coldwell Banker Preferred, Media, PA Gina Toldero, Weichert Realtors, Chadds Ford, PA Jamie Hurlock, Long & Foster Real Estate, Lewes, DE Jeremy Mason, Home Team Realty, Seaford, DE Andrew Pallante, Patterson Schwartz, Greenville, DE James Murphy, Berkshire Hathaway Home Svc Fox & Roach, Greenville, DE Rama Tatineni, Long & Foster Real Estate, Lewes, DE Karla Kyritsis, Patterson Schwartz, Hockessin, DE Sukyoung Rothove, Berkshire Hathaway Home Svc, Newark, DE Ashley Stewart, Berkshire Hathaway Home Svc. Newark, DE Gary Lowe, Patterson Schwartz & Associates, LLC, Wilmington, DE Frank Hornstein, Long & Foster Real Estate, Rehoboth Beach, DE Sally Tobin, Long & Foster Real Estate, Rehoboth Beach, DE Shane Pezick, NRT Phila LLC d/b/a Coldwell Banker, Wilmington, DE David Blume, RE/MAX Sunvest Realty, Wilmington, DE Laura Jones, Long & Foster, Pike Creek, DE Jennifer Mann, Keller Williams Realty at the Beach, Rehoboth Beach, DE Melissa Laird, ERA Bill Martin and Associates, Salisbury, MD Oonagh Dixon, RE/MAX of Wilmington, Wilmington, DE Susan Antigone, Long & Foster Real Estate, Ocean City, MD Anding Li, Berkshire Hathaway Home Svc Fox & Roach, Hockessin, DE Krisztina Menzies, Patterson-Schwartz, Newark, DE Joseph Loughran Jr., Long & Foster Real Estate, Inc., Bethany Beach, DE Paul Carroccio, TPW Management, LLC, Lewes, DE

By unanimous vote, the motion carried.

#### Review of Salesperson Applications

Mr. Whitfield made a motion, seconded by Mr. Emory, to approve the application for Mr. Frank O'Toole for licensure as a Delaware Real Estates Salesperson. By unanimous vote, the motion carried.

Mr. Staton made a motion, seconded by Mr. Whitfield, to propose to deny the application for Mr. Robert Blackhurst for licensure as a Delaware Real Estate Salesperson. By unanimous vote, the motion carried.

#### Review of Broker and Associate Broker Applications

The Commission reviewed the broker's application of Michael Blaisdell. Mr. Whitfield made a motion, seconded by Mr. Emory, to approve Mr. Blasidell's application. By unanimous vote, the motion carried.

The Commission reviewed the associate broker's application of Sandra Bisgood. Mr. Whitfield made a motion, seconded by Mr. Emory, to approve Ms. Bisgood's application. By unanimous vote, the motion carried.

The Commission reviewed the broker's application of Blaise Fletcher. Mr. Whitfield made a motion, seconded by Mr. Emory, to approve Mr. Fletcher's application. By unanimous vote, the motion carried.

#### Review of Applications for Reinstatement

The Commission reviewed the application of Adriane Sklodowski for reinstatement of a salesperson's license. Mr. Whitfield made a motion, seconded by Mr. Emory, to approve Ms. Sklodowski's reinstatement application upon successful passing of both examinations. By unanimous vote, the motion carried.

The Commission reviewed the application of Alice Bennett for reinstatement of a salesperson's license. Mr. Whitfield made a motion, seconded by Mr. Emory, to approve Ms. Bennett's reinstatement application upon successful passing of the Delaware State Exam. By unanimous vote, the motion carried.

The Commission reviewed the application of Diana Chavis for reinstatement of a salesperson's license. Mr. Whitfield made a motion, seconded by Mr. Emory, to approve Ms. Chavis' reinstatement application upon successful passing of the Delaware State Exam. By unanimous vote, the motion carried.

The Commission reviewed the application of Trevor Gouert for reinstatement of a salesperson's license. Mr. Whitfield made a motion, seconded by Mr. Emory, to approve Mr. Gouert's reinstatement application upon successful passing of the Delaware State Exam. By unanimous vote, the motion carried.

#### Review of Applications for New Office

The Commission reviewed the application of Mid-Del Property Management for a main office. Mr. Staton made a motion, seconded by Mr. Allamong, to approve this main office application. By unanimous vote, the motion carried.

The Commission reviewed the application of Sperry Van Ness Eastern Shore LLC for a main office. Mr. Staton made a motion, seconded by Mr. Allamong, to approve this main office application. By unanimous vote, the motion carried.

The Commission reviewed the application of Maggio Shields Real Estate for a main office. Mr. Allamong made a motion, seconded by Mr. Emory, to contingent approve this main office application. License can be issued once the Commission receives an acceptable photo of the front entrance of the building. By unanimous vote, the motion carried.

The Commission reviewed the application of Sperry Van Ness Eastern Shore LLC for a main office. Mr. Staton made a motion, seconded by Mr. Allamong, to approve this main office application. By unanimous vote, the motion carried.

The Commission reviewed the application for Delmarva Resorts Realty for a relocation of office. Mr. Staton made a motion, seconded by Mr. Allamong, to approve this relocation of office application. By unanimous vote, the motion carried.

The Commission reviewed the application for Adkins Real Estate, Inc. for a relocation of office. Mr. Staton made a motion, seconded by Mr. Allamong, to approve this relocation of office application. By unanimous vote, the motion carried.

The Commission reviewed the application of Long & Foster Real Estate, Inc. for a main office. Mr. Staton made a motion, seconded by Mr. Allamong, to approve this main office application. By unanimous vote, the motion carried.

The Commission reviewed the application of Gioffre Commercial Realty, LLC for a main office. Mr. Staton made a motion, seconded by Mr. Allamong, to approve this main office application. By unanimous vote, the motion carried.

# Status of Complaints

Complaint 02-08-13 – Forwarded to Attorney General

Complaint 02-12-13 - Closed by Investigator

Complaint 02-22-12 - Closed by Investigator

Complaint 02-13-13 - Closed by Investigator

Complaint 02-24-13 – Forwarded to Attorney General

Complaint 02-15-13 - Closed by Investigator

# Correspondence

Mr. Mark Esposito submitted a letter to ask the Commission reviewed to grant him a waiver to sit for the DE Law exam a 4<sup>th</sup> time. After discussion, Mr. Healy made a motion, seconded by Mr. Staton, to deny Mr. Esposito's request to sit for the DE Law exam a 4<sup>th</sup> time. By unanimous vote, the motion carried. Ms. Wagner will send a letter to Mr. Esposito to let him know of the Commission's motion.

Mr. Stephen Enderle submitted a letter to ask the Commission reviewed to grant him a waiver to sit for the National portion of the exam a 4<sup>th</sup> time. After discussion, Mr. Healy made a motion, seconded by Mr. Staton, to deny Mr. Enderle's request to sit for the National exam a 4<sup>th</sup> time. By unanimous vote, the motion carried. Ms. Wagner will send a letter to Mr. Enderle to let him know of the Commission's motion.

#### 2014 New Real Estate General Exams - Pearson Vue

Ms. Wagner gave the Commission copies of the general exam for Salesperson's and Broker's showing the changes that Pearson Vue will be making starting April 1, 2014. No action was needed. Mr. Taylor spoke to the Commission about being on the team that worked with Pearson Vue to come up with the questions on the General Exam and how the questions would affect the salespersons and brokers taking the General exam.

#### Discussion: Continuing Education/Broker's Responsibility

Mr. Allamong would like to write a letter and have the letter sent to all broker's highlighting the statute as it relates to them with the fines and being responsible for their licensees under them when it comes to each having completed their continuing education. The letter would explain to the brokers that it is the Commission's intent to have the brokers come to the rule to show cause hearings if one of the licensees under them gets audited and they haven't completed their continuing education since brokers are being held responsible for all agents to have completed their continuing education prior to 4/30 of even years. The Commission agreed that Mr. Allamong will draft a letter and bring to the March meeting for the Commission to review.

#### Discussion: Competitive Markey Analysis (CMA)

Mr. Allamong explained to the Commission that he was asked to speak about Competitive Market Analysis. Mr. Allamong was asked if a CMA could be done for a bank when the property is subject to agreement of sale if the person doesn't get paid for it. Mr. Allamong said no because that violates the statutory requirements. Mr. Whitfield said he also received a call. You can do CMA's for a bank the problem is whether you know if there is a contract or not between a seller and buyer. Mr. Whitfield thinks there is a problem with the way the statute reads. Mr. Allamong suggested that maybe everyone on the Commission should read over the statute on CMA to get a better understanding since the investigators are anticipating more issue with salespersons doing CMA's for banks.

#### Discussion: Proposed Rules and Regulations

Ms. Kelly asked the Commission what they thought about having the rule and regulation that allows someone to use a module other than 7 for module 7 and for it to be automatically approved retroactive from 4/30/14. That way it can be used for audit period 2012-2014. The hearing will not take place until April because of the circumstances that Ms. Wagner wrote in her email that was sent out to all the

Commissioners. The Commission was in agreement with having that rule retro. Ms. Kelly will work on this because a hearing will have to be done to make this happen.

#### Discussion: Audit

Ms. Wagner asked the Commission what percentage they wanted audited this year and for them to keep in mind that we have all the rules to show cause people in the mix as well as all late renewals. Last year 1028 persons where audited. The rule to show cause hearings are still going on and the next renewal cycle is upon us. The Commission asked how many licensees hold a license in DE. Ms. Wagner will have that total for them by next meeting. Mr. Whitfield made a motion, seconded by Mr. Allamong, to have 5% of licensees randomly picked for audit. Motion has been withdrawn. Ms. Wagner will give the Commission a report of how many licensees hold a current license with the Division.

# **OLD BUSINESS**

<u>Discussion and Review of Hearing Officer Orders</u>

Mr. Harrington signed an order for:

Timothy Walker

# OTHER BUSINESS BEFORE THE COMMISSION (for discussion only)

Ms. Wagner asked the Commission about Broker's using stamps instead of an original signature. Most Commissioner's agreed with using a stamped signature. Mr. Andy Taylor, Esq. agreed that stamped signatures are legal. Ms. Wagner explained that her licensing person doing all the transfers has been getting a lot of transfer with stamped signatures. Ms. Witte spoke to the Commission about her concern with the stamped signatures. Using the stamped signature on forms is hard for us to tell if the Broker has really seen the documents of which his signature is on or not. Ms. Witte wanted to make sure that the Commission was aware and that they agreed that the brokers using the stamped signature will be held accountable for any issues with the documentation.

#### **PUBLIC COMMENT**

Ms. Emma Payne asked the Commission about clarification with regards to the DE Law regarding contracts specifically with verbal contracts issue we sometimes face; especially dealing with out of state people and trying to get contracts signed and the back and forth with them. Ms. Payne asked the Commission if she could accept verbal contracts. Mr. Staton said he would defer Ms. Payne's question to Mr. Taylor, Esq. whom was still attending the meeting since the Commission has to go by what is in the Law and Rules and Regulations. Mr. Allamong stated that the rules say that the contract has to be written.

Mr. Taylor stated that as Mr. Allamong had brought out all contracts have to be in writing and signed to be enforceable. If a contract has been signed by the party and is in route to the other Real Estate person then it can be said to be a verbal delivery of notice. There cannot be a verbal signature just the verbal delivery of the notice after the contract has been signed.

# **NEXT SCHEDULED MEETING**

The next meeting will be held on Thursday, March 13, 2014 at 9:00 a.m.

# **ADJOURNMENT**

Mr. Staton made a motion, seconded by Mr. Brannon, to adjourn the meeting. By unanimous vote, the motion carried. The meeting adjourned at 10:40 a.m.

Respectfully submitted,

Sandra Wagner

Administrative Specialist III

Sandra Wagner

The notes of this meeting are not intended to be a verbatim record of the topics that were presented or discussed. They are for the use of the Board members and the public in supplementing their personal notes and recall for presentations.